

Porchlight, Inc. and Subsidiary
Madison, Wisconsin

Consolidated Financial Statements and
Supplementary Information
Year Ended December 31, 2017

Porchlight, Inc. and Subsidiary

Consolidated Financial Statements and Supplementary Information

Year Ended December 31, 2017

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Independent Auditor's Report

Board of Directors
Porchlight, Inc. and Subsidiary
Madison, Wisconsin

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Porchlight, Inc. (a nonprofit organization) and Subsidiary, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The financial statements of Porchlight Foundation, Inc. were not audited in accordance with the *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Porchlight, Inc. and Subsidiary as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and other financial assistance as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State of Wisconsin Single Audit Guideline*, issued by the Wisconsin Department of Administration, the consolidating statements of financial position and activities, the schedule of revenue and expenses by funding source and by contract, the reserve supplemental schedule, the Dane County Department of Human Services provider agency expense report, and the schedules of profit and loss for multifamily projects as required by Wisconsin Housing and Economic Development Authority are presented for purposes of additional analysis, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018, on our consideration of Porchlight, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Porchlight Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Porchlight, Inc.'s internal control over financial reporting and compliance.



Wipfli LLP

June 27, 2018

Madison, Wisconsin

Porchlight, Inc. and Subsidiary

Consolidated Statement of Financial Position December 31, 2017

<i>Assets</i>	
Current assets:	
Cash	\$ 2,107,719
Investments	412,813
Grants receivable	265,952
Accounts receivable	164,708
Land contract receivable	3,777
Promises to give	215,000
Inventory	9,000
Prepaid expenses	41,931
Total current assets	3,220,900
Other assets:	
WHEDA reserves	508,859
Land contract receivable	36,093
Promises to give	28,000
Charitable trust receivable, net	90,000
Total other assets	662,952
Property and equipment, net	14,099,851
TOTAL ASSETS	\$ 17,983,703
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of mortgages payable	\$ 103,249
Current portion of deferred loans payable	14,667
Accounts payable	183,034
Accrued payroll and related expenses	114,440
Deferred revenue	51,806
Grant funds received in advance	27,248
Total current liabilities	494,444
Long-term liabilities:	
Deferred loans payable	3,363,550
Mortgages payable	1,359,060
Total long-term liabilities	4,722,610
Total liabilities	5,217,054
Net assets:	
Unrestricted	11,689,681
Temporarily restricted	1,076,968
Total net assets	12,766,649
TOTAL LIABILITIES AND NET ASSETS	\$ 17,983,703

Porchlight, Inc. and Subsidiary

Consolidated Statement of Activities
Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grant revenue	\$ 2,473,381	\$ 0	\$ 2,473,381
Investment gain	68,771	0	68,771
Contributions	1,303,160	0	1,303,160
Rental income	1,382,767	0	1,382,767
Program fees	6,960	0	6,960
Miscellaneous	145,015	0	145,015
In-kind contributions	459,860	0	459,860
Net assets released from restriction through satisfaction of program restrictions	2,349,559	(2,349,559)	0
Total revenue	8,189,473	(2,349,559)	5,839,914
Program expenses:			
Homeless men's drop-in shelter	367,238	0	367,238
Hospitality House	450,346	0	450,346
Safe Haven	474,061	0	474,061
Housing	2,378,621	0	2,378,621
Brooks Street	720,883	0	720,883
In-kind expenses	459,860	0	459,860
Total program expenses	4,851,009	0	4,851,009
Management and general	518,574	0	518,574
Fundraising	125,574	0	125,574
Total management and general, and fund-raising	644,148	0	644,148
Total expenses	5,495,157	0	5,495,157
Change in net assets	2,694,316	(2,349,559)	344,757
Net assets - Beginning of the year	8,995,365	3,426,527	12,421,892
Net assets - End of the year	\$ 11,689,681	\$ 1,076,968	\$ 12,766,649

See accompanying notes to consolidated financial statements.

Porchlight, Inc. and Subsidiary

Consolidated Statement of Cash Flows

Year Ended December 31, 2017

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	\$ 344,757
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	561,172
Net realized and unrealized gain on investments	(49,204)
Non-cash contribution on forgiveness of deferred loan payable	(18,167)
Changes in operating assets and liabilities:	
Grants receivable	(6,280)
Accounts receivable	2,648
Promises to give	159,216
Inventory	10,600
Prepaid expenses	35,687
Accounts payable	(734,209)
Accrued payroll and related expenses	(1,328)
Deferred revenue	(476)
Due to fiscal agent	(27,471)
Grant funds received in advance	18,351
Net cash provided by operating activities	295,296
Cash flows from investing activities:	
Purchase of property and equipment	(12,000)
Payments on construction in progress	(718,183)
Proceeds from sale of investments	69,580
Purchase of investments	(143,349)
Withdrawals of WHEDA reserves for improvements	2,190
Deposits to and interest retained in WHEDA reserves	(41,845)
Net cash used in investing activities	(843,607)
Cash flows from financing activities:	
Collection of land contract receivable	3,739
Principal payments on mortgages payable	(98,668)
Net cash used in financing activities	(94,929)
Change in cash	(643,240)
Cash - Beginning of the year	2,750,959
Cash - End of the year	\$ 2,107,719
Supplemental schedule of other cash activity:	
Interest paid and expensed	\$ 49,997

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Porchlight, Inc. was established as a nonprofit corporation in 1987 and was formed to develop and provide resources for the purpose of assisting low-income individuals secure housing, find temporary and permanent jobs, and provide referrals to community resources to help individuals live independently. Porchlight, Inc. is primarily supported through federal and state government grants, rental income, and contributions. The main recipients of these programs reside in Dane County, Wisconsin. Approximately 11% of Porchlight, Inc.'s total revenue is received directly from the U.S. Department of Housing and Urban Development (HUD).

Porchlight Foundation, Inc. is a nonprofit organization created in 1999 to help carry out the mission of Porchlight, Inc. by managing and preserving endowment and long-term assets for the benefit of Porchlight, Inc. Porchlight Foundation, Inc. seeks to develop a fund sufficient to support and sustain Porchlight, Inc. in providing the full continuum of housing and support services for homeless and at risk residents of Dane County with the ultimate goal of helping people help themselves toward independence. The strategy is to reduce homelessness in the Dane County area by providing resources for the development of low-cost housing affordable to those in need as well as support services and a sense of community connected with that housing. The monies collected will serve as an endowment fund for supporting these activities in perpetuity.

Basis of Presentation

The consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Principles of Consolidation

These financial statements are consolidated and include the accounts of Porchlight, Inc. and Porchlight Foundation, Inc. The two entities are referred to as (the "Organizations"). All material inter-company transactions and accounts are eliminated in consolidation.

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets (Continued)

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of contribution or are designated by the board of directors for a specific use.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organizations and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. If a restriction is satisfied in the year of contribution, the contribution is recorded as unrestricted revenue.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Organizations do not have any permanently restricted net assets.

Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition/Grant Funds Received in Advance

Contributions are recognized when the donor makes a promise to give to the Organizations that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. If the restriction is satisfied in the period of contribution, the contribution is recorded as unrestricted revenue.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition/Grant Funds Received in Advance (Continued)

Rental income represents income received from various sources for use of property or space owned by Porchlight. This income is recognized in the period in which it is earned.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

B. Grant Awards That Are Exchange Transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

In-Kind Contributions

Porchlight, Inc. has recorded in-kind contributions for supplies and professional services in the consolidated statement of activities in accordance with financial accounting standards. These accounting standards require that only contributions of services received that create or enhance a nonfinancial asset or require a specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of these financial standards are different than the in-kind requirements of Porchlight's grant awards. Porchlight, Inc. received contributions of nonprofessional volunteers during the year with a value of \$204,650 which are not recorded in the consolidated statement of activities.

Accounts Receivable, Land Contract Receivable, and Allowance for Doubtful Accounts

Accounts receivable and the land contract receivable consist of receivables for rent, contributions, and amounts owed to the Organizations from various sources. The Organizations analyze the receivables and record an allowance for doubtful accounts based on prior collection, experience, and specific customer attributes. When all collection efforts have been exhausted, the Organizations write off receivables against the allowance for doubtful accounts.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accounts Receivable, Land Contract Receivable, and Allowance for Doubtful Accounts (Continued)

As of December 31, 2017, the Organizations had elected not to record an allowance for doubtful accounts since collection of the entire outstanding receivable balance is expected.

Promises to give

Porchlight, Inc. held a capital campaign to raise funds to finance the construction of a commercial kitchen and a housing unit development. Promises to give are recognized when the donor makes a promise to give to Porchlight, Inc. As of December 31, 2017, Porchlight, Inc. had elected not to record an allowance for doubtful accounts since collection of the entire outstanding receivable balance is expected.

Investments

Investments in marketable securities are carried at fair value. Unrealized gains or losses of investments are reflected as investment gains or losses in the consolidated statement of activities. Fair values are determined based on active, publicly traded markets. Donated property held for sale is valued at the fair market value at the time of donation.

Inventory

Inventory consists of canned and preserved artisan products. In 2017, the Organizations adopted Accounting Standard Update (ASU) 2015-11, "Inventory – Simplifying the Measurement of Inventory," which changed how inventory is valued. Inventories as of December 31, 2017 are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The adoption of ASU 2015-11 did not have a material impact on Porchlight's financial statements. Inventory is accounted for by the first-in, first-out (FIFO) method.

Charitable Trust Receivable

Porchlight, Inc. is the beneficiary of a trust fund established by an individual's last will and testament. Porchlight, Inc. receives a 5% share of current income less expenses and preferred beneficiary payments. The expected cash flows were discounted using a 6% discount rate with the expectation that dividends would increase 3% per year with the growth of the fund.

Property and Equipment

Property and equipment are capitalized at cost and depreciated over their useful lives using the straight-line method. The Organizations consider property and equipment to be items with a cost greater than \$5,000 and having a useful life of greater than one year.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued)

Property and equipment purchased with grant funds are owned by Porchlight, Inc. while used in the programs for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$1,076,968 at December 31, 2017.

Porchlight, Inc. has adopted a policy of implying a time restriction on assets purchased with grant contributions. Grant-funded property and equipment are recorded as restricted support. As the property and equipment are depreciated, the temporarily restricted net assets are released from restriction and reported in the consolidated statement of activities as net assets released from restriction.

Income Taxes

Porchlight, Inc. and Porchlight Foundation, Inc. are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organizations are also exempt from Wisconsin franchise or income tax.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Cost Allocation

Joint costs are those costs incurred for the common benefit of all organization programs that cannot be readily identified with a final cost objective. Joint costs are allocated to benefiting programs based on the number of nights of shelter provided. This allocation method was approved by HUD.

Subsequent Events

Subsequent events have been evaluated through Report Date, which is the date the consolidated financial statements were available to be issued.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 2: Concentration of Credit Risk

The Organizations maintain cash balances at several financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. At the end of 2017, cash balances for BMO Harris Bank (Charter #1), UW Credit Union, First Business Bank, and Heartland Credit Union exceeded the limits insured by the FDIC and NCUSIF. Management believes these financial institutions have strong credit ratings and credit risk related to these deposits is minimal.

Investments, as listed in Note 3, are not insured.

Note 3: Investments

Investments consist of the following:

	<u>Porchlight</u>	<u>Foundation</u>	<u>Total</u>
Equity and fixed income funds			
Domestic equity securities	\$ 0	\$ 190,229	\$ 190,229
International equity securities	0	84,159	84,159
Fixed Income	0	138,425	138,425
<u>Investment balance</u>	<u>\$ 0</u>	<u>\$ 412,813</u>	<u>\$ 412,813</u>

Investment gain for the year consists of the following:

	<u>Porchlight</u>	<u>Foundation</u>	<u>Total</u>
Interest income	\$ 12,416	\$ 0	\$ 12,416
Dividend income	0	7,004	7,004
Net realized and unrealized gain	0	49,204	49,204
Gain on sale of donated property held for sale	147	0	147
<u>Total</u>	<u>\$ 12,563</u>	<u>\$ 56,208</u>	<u>\$ 68,771</u>

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 4: Fair Value Measurements

In accordance with generally accepted accounting principles, fair value can be measured under three levels of inputs (the fair value hierarchy). The level of an asset or liability within the fair value hierarchy is based on the lowest level of input significant to the fair value measurement of that asset or liability. Following is a brief description of each level of the fair value hierarchy:

Level 1—Fair value measurement is based on quoted prices for identical assets or liabilities in active markets.

Level 2—Fair value measurement is based on 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in markets that are not active; or 3) valuation models and methodologies for which all significant assumptions are or can be corroborated by observable market data. Currently, the Organizations do not have any level 2 investments.

Level 3—Fair value measurement is based on valuation models and methodologies that incorporate at least one significant assumption that cannot be corroborated by observable market data. Level 3 measurements reflect the Organization's estimates about assumptions market participants would use in measuring fair value of the asset or liability.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Organizations believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Information regarding the fair value of assets measured at fair value on a recurring basis as of December 31, 2016, is as follows:

		Recurring Fair Value Measurements Using		
		Quoted Prices		
	Assets	in Active	Significant	Significant
	Measured at	Markets for	Other	Unobservable
	Fair Value	Identical	Observable	Inputs
		Assets	Inputs	Inputs
		(Level 1)	(Level 2)	(Level 3)
Equity and fixed income funds:				
Domestic equity securities	\$ 190,229	\$ 190,229	\$ 0	\$ 0
International equity securities	84,159	84,159	0	0
Fixed income	138,425	138,425	0	0
Charitable trust receivable (See Note 8)	90,000	0	0	90,000
Total Assets	\$ 502,813	\$ 412,813	\$ 0	\$ 90,000

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 4: Fair Value Measurements (Continued)

The Organizations do not have any liabilities measured at fair value on a recurring basis.

The fair value of the domestic, international and fixed income funds are based on quoted market prices. The fair value of the charitable trust is based on the expected cash flows discounted for perpetuity using a 6% discount rate with the expectation that dividends would increase 3% per year. There was no change in the fair value of the charitable trust during the fiscal year ending December 31, 2017.

The Organizations do not have any assets or liabilities measured at fair value on a nonrecurring basis.

Note 5: Grants Receivable

Grants receivable represent amounts due from various funding sources as follows:

U.S. Department of Housing & Urban Development	\$	58,599
U.S. Department of Veterans Affairs		31,595
U.S. Department of Homeland Security		6,159
State of Wisconsin		4,312
County of Dane		112,723
City of Madison		51,869
Madison South Rotary		695
<u>Total</u>	<u>\$</u>	<u>265,952</u>

Note 6: WHEDA Reserves

The Wisconsin Housing and Economic Development Authority (WHEDA) reserves of \$508,859 in escrow represent an operating deficit reserve of \$5,681 and replacement reserves of \$503,178 associated with Porchlight, Inc.'s WHEDA mortgages (see Note 11). These funds will remain with WHEDA until Porchlight, Inc. requests to use the funds and the use is approved by WHEDA.

Note 7: Land Contract Receivable

In 2012, Porchlight, Inc. sold a portion of donated property by executing a land contract. The land contract receivable has an outstanding principal balance of \$39,870. The land contract receivable has an interest rate of 1% per year and monthly payments of \$347 with a maturity date of January 1, 2028. Porchlight, Inc. holds a lien on the property.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 8: Charitable Trust Receivable

Porchlight, Inc. is the beneficiary of a trust fund established by an individual's last will and testament. Accounting Standards Codification No. 958-605, *Transfer of Assets to a Not-for-Profit or Charitable Trust That Raises or Holds Contributions For Others*, requires that if a specified beneficiary (Porchlight, Inc.) has an unconditional right to receive all or a portion of a specified cash flow from the charitable trust, the beneficiary is required to recognize the beneficial interest, measuring and subsequently remeasuring its fair value, using a valuation technique such as the present value of the estimated expected future cash flows. Porchlight, Inc. receives a 5% share of current income less expenses and preferred beneficiary payments. The expected cash flows were discounted using a 6% discount rate with the expectation that dividends would increase 3% per year with the growth of the fund. The present value at December 31, 2017, was \$90,000, and the amount received in 2017 was \$5,120.

Note 9: Property and Equipment

A summary of land, buildings, improvements, and equipment are as follows:

Land	\$	2,985,531
Buildings		15,060,780
Building improvements		1,803,587
Leasehold improvements		390,090
<u>Equipment</u>		<u>835,223</u>
Total cost		21,075,211
<u>Accumulated depreciation</u>	(<u>6,975,360</u>)
<u>Property and equipment, net</u>	\$	<u>14,099,851</u>

Note 10: Deferred Loans Payable

Porchlight, Inc. has received no-interest deferred payment CDBG loan funds from the City of Madison. The funds were for the purchase and/or renovation of property. The funds are to be returned to the City of Madison if the properties are sold or converted to a use other than stipulated in the CDBG loan restrictions, with the exceptions of the Drop-In Shelter, Mifflin Street, and Johnson Street locations. The funds for the Drop-In Shelter have the same restrictions as previously listed; however, the City of Madison has agreed to forgive a portion of the loan over a period of 10 years at a rate of 10% per year beginning in 2010. The forgivable portion of the Mifflin Street and Johnson Street loans are to be forgiven at the end of a 10-year period. Mifflin Street and Johnson Street loans are to be forgiven in 2020.

Porchlight, Inc. has received a no-interest deferred payment loan from the County of Dane. The funds were for the purchase of Sunfield Street in Sun Prairie. The funds are to be returned to the County of Dane if the property is sold or converted to a use other than stipulated in the County of Dane loan restrictions. The County of Dane has agreed to forgive a portion of the loan over a period of 15 years at a rate of 6.67% per year beginning in 2017.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 10: Deferred Loans Payable (Continued)

Deferred loans payable consist of the following:

<u>CDBG deferred funds:</u>	
South Broom Street	\$ 20,000
Northport Drive	12,500
Sinykin Circle	25,000
North Midvale	82,731
East Washington Avenue	53,750
Russet Road	150,000
North Brooks Street	1,047,961
North Brooks Street	18,000
Pheasant Ridge Trail	340,000
Camden Road	170,000
East Johnson Street	199,116
East Mifflin Street	203,367
Nakoosa Trail	265,669
Thierer Road	170,000
<u>CDBG and County of Dane deferred forgivable loans:</u>	
East Johnson Street	214,590
East Mifflin Street	200,200
Sunfield Street	205,333
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Total deferred loans payable	3,378,217
Current portion	(14,667)
<hr/>	
Long-term portion	\$ 3,363,550

Note 11: Mortgages Payable

Porchlight, Inc. has the following mortgages payable at December 31, 2017:

Mortgage payable to WHEDA at 2.00% interest, with monthly payments of \$1,487, and the outstanding balance due May 1, 2022. The mortgage is collateralized by property at the following locations:	\$ 75,390
<hr/>	
902 Northport	
201 North Street	
310 North Hamilton	
316 South Broom	
33-39 Sinykin Circle	

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 11: Mortgages Payable (Continued)

Mortgage payable to WHEDA at 4.00% interest, with monthly payments of \$3,338, and the outstanding balance due September 1, 2024. The mortgage is collateralized by property at 1102 Spring Street and 609 North Midvale.	236,596
Mortgage payable to WHEDA at 2.50% interest, with monthly payments of \$1,379, and the outstanding balance due February 1, 2037. The mortgage is collateralized by property at 2718 Pheasant Ridge Trail.	251,728
Mortgage payable to WHEDA at 2.50% interest, with monthly payments of \$859, and the outstanding balance due July 1, 2035. The mortgage is collateralized by property at 1409 McKenna Boulevard.	146,603
Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$3,943, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below.	279,295
Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$908, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below.	64,035
Mortgage payable to WHEDA at 7.05% interest, with monthly payments of \$468, and the outstanding balance due August 1, 2025. The mortgage is collateralized by property at the locations listed below.	33,162
Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$3,943 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by property at the locations listed below.	278,380
Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$907 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by property at the locations listed below.	64,100
Mortgage payable to WHEDA at 0.00% interest, with monthly payments of \$468 deferred until September 1, 2025, and the outstanding balance due July 1, 2031. The mortgage is collateralized by properties at the locations listed below.	33,020
Total	1,462,309
<u>Current mortgages payable</u>	<u>(103,249)</u>
<u>Long-term mortgages payable</u>	<u>\$ 1,359,060</u>

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 11: Mortgages Payable (Continued)

The above mortgages to WHEDA are collateralized by the following properties:

5814 Russet Road	249/251 Broadway
5818 Russet Road	1309 Northport Drive
3342-3344 East Washington Avenue	1903 Sherman Avenue
3346-3348 East Washington Avenue	

Future maturities are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 103,249
2019	108,088
2020	113,200
2021	118,603
2022	113,851
<u>Thereafter</u>	<u>905,318</u>
<u>Total</u>	<u>\$ 1,462,309</u>

In addition to the previously stated mortgages payable, Porchlight, Inc. has a revolving line of credit with BMO Harris Bank for \$200,000, which has no set expiration, and is secured by property at 3710 E Karstens. The line-of-credit agreement has a variable interest rate equal to the prime rate (3.5% at December 31, 2017) plus the Index Rate. The Index Rate is defined as the average of the previous month's 13-week Treasury bill auction adjusted on the first business day of each month. The rate at December 31, 2017, was 5.01%. No funds were borrowed on the line of credit at December 31, 2017.

Note 12: Temporarily Restricted Net Assets

Temporarily restricted net assets represent balances that are available for use in the following activities:

<u>Grant-funded equipment</u>	<u>\$ 1,076,968</u>
<u>Total</u>	<u>\$ 1,076,968</u>

Note 13: Retirement Plan

Porchlight, Inc. established a simplified employee pension (SEP) plan. The plan is open to all employees who are at least 21 years of age and have been employed by Porchlight, Inc. for 1,000 hours and for the preceding 12 months. The retirement benefits are fully vested with the employee at the time of contribution. Porchlight, Inc.'s contributions for the year ended December 31, 2017, were \$48,891.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 14: Contingencies

Porchlight, Inc. has several restrictions regarding the use of funds received for acquisition and rehabilitation of properties. The funds received and restrictions are as follows:

CDBG-Deferred Loans

As mentioned in Note 10, Porchlight, Inc. has 14 properties that were acquired or renovated with the use of deferred CDBG loans from the City of Madison. These loans would be payable to the City of Madison if the properties were sold or converted to a use other than stipulated in the CDBG loan restriction.

The deferred loan agreement of \$12,500 for Northport Drive and \$25,000 Sinykin Circle includes a further restriction that, upon the sale or change of the use of the property, Porchlight, Inc. will return to the City of Madison the fair market value of the assisted project, minus the pro-rated fair share of other source-funded improvements.

The deferred loan agreement of \$53,750 for East Washington Avenue includes a restriction that upon the sale, change of use, or discontinuance of use, Porchlight, Inc. will return to the City of Madison the fair market value of the assisted project minus the pro-rated share of other source funded improvements.

The deferred loan agreement of \$82,731 for North Midvale includes a restriction on \$60,669 of the funds received that should Porchlight, Inc. discontinue operation or change the use of the property, Porchlight, Inc. will repay to the City of Madison the ratio of CDBG funds to the total acquisition value multiplied by the appraisal value after improvements.

The deferred loan agreement for Pheasant Ridge Trail includes a further restriction that, upon the sale, transfer, or closure of the property, Porchlight, Inc. will return to the City of Madison the greater of the deferred loan amount of \$340,000, or an amount equal to 43% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for Camden Road includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$170,000, or an amount equal to 56% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for East Johnson Street includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$199,116, or an amount equal to 73% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement for East Mifflin Street includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$239,255, or an amount equal to 75% of the current fair market value of the property as determined by an appraiser.

The deferred loan agreement of \$265,669 for Nakoosa Trail includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will repay to the City of Madison the CDBG funds.

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 14: Contingencies (Continued)

CDBG-Deferred Loans (Continued)

The deferred loan agreement for Thierer Road (f/k/a Lien Road) includes a restriction that upon the sale, transfer, change, or discontinuance in the permitted use of the property, Porchlight, Inc. will return to the City of Madison the greater of \$170,000, or an amount equal to 4.25% of the current fair market value of the property as determined by an appraiser.

Federal Home Loan Bank Affordable Housing Program

Porchlight, Inc. received \$80,000 from the FHLB to construct a property at Pheasant Ridge Trail. In the event that Porchlight, Inc. would sell or convert the use of the property within a 15-year period starting April 21, 2006, Porchlight, Inc. has agreed to repay the original award.

Porchlight, Inc. received \$240,000 from the FHLB to construct a property at Thierer Road. In the event that Porchlight, Inc. would sell or convert the use of the property within a 15-year period starting April 1, 2017, Porchlight, Inc. has agreed to repay the original award.

Note 15: Lease Commitments - Lessee

Porchlight, Inc. leases various facilities and equipment for operation of its programs. Rent expense for 2017, was \$116,921. Future minimum lease payments for 2018 and 2019 are \$73,533 and \$5,175.

Note 16: Rental Activity

Porchlight, Inc. rents to individuals that qualify under a variety of programs and to two commercial tenants. The majority of program tenants are under annual or shorter rental arrangements. The rental income for the commercial tenants and individual tenants for the year ended December 31, 2017, was \$40,291 and \$1,342,476. Future minimum commercial income is as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 27,000
2019	27,000
2020	27,000
2021	27,000
2022	7,900
<u>Total</u>	<u>\$ 115,900</u>

Porchlight, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Note 16: Rental Activity (Continued)

A summary of rental property is as follows:

	Rental Property
Land	\$ 2,914,031
Buildings	14,899,913
Building improvements	1,742,564
Equipment	602,129
Total cost	20,158,637
Accumulated depreciation	(6,292,088)
<u>Rental property, net</u>	<u>\$ 13,866,549</u>

Note 17: Grant Awards

At December 31, 2017, Porchlight, Inc. had commitments under various ongoing grant awards of approximately \$119,000. The revenue relating to these grants is not recognized in the accompanying consolidated financial statements as revenue recognition is conditional on the incurrence of expenditures or the performance of services in the next year.

Supplementary Information

Porchlight, Inc. and Subsidiary

Schedule A-1

Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended December 31, 2017

CFDA Number	Program Name	Federal Grantor/Pass-Through Agency	Program Period	Project Number	Grant Award	12/31/2016 Grant Funds Received in Advance		Revenue			12/31/2017 Grant Funds Received in Advance		
						12/31/2016 Net Assets	Award/Funds Recognized	Other Revenue & Transfers	Total Revenue Recognized	Expenses	12/31/17 Net Assets		
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT													
14.231	STABLE Program	City of Madison	07/01/16-06/30/17	JD004-WISESG16	3,900	\$ 0	\$ 0	\$ 1,858	\$ 0	\$ 1,858	(\$ 1,858)	\$ 0	\$ 0
14.231	STABLE Program	City of Madison	07/01/16-06/30/17	JD004-WISTHP16	25,650	0	0	17,933	0	17,933	(17,933)	0	0
14.231	STABLE Program	City of Madison	07/01/17-06/30/18	JD004-WISTHP17	35,800	0	0	15,044	0	15,044	(15,044)	0	0
14.231	DIGS - Eviction Prevention	City of Madison	01/01/17-12/31/17	JM001-HUDESIG17	57,473	0	0	57,473	0	57,473	(57,473)	0	0
14.231	Single Men Outreach	City of Madison	07/01/16-06/30/17	JK004-WISESG16	25,000	0	0	12,500	0	12,500	(12,500)	0	0
14.231	Single Men Outreach	City of Madison	07/01/17-06/30/18	JK004-WISESG17	25,000	0	0	13,290	0	13,290	(13,290)	0	0
14.231	Rapid ReHousing	City of Madison	07/01/16-06/30/17	DM001-WISESG16	22,000	0	0	11,327	0	11,327	(11,327)	0	0
	Total CFDA #14.231 Emergency Shelter Grant Program					0	0	129,425	0	129,425	(129,425)	0	0
14.267	Safehaven - Operating	U.S. Dept. of HUD	01/01/17-12/31/17	WI0097LS1031609	40,718	0	0	40,718	0	40,718	(40,718)	0	0
14.267	Safehaven - Supportive Services	U.S. Dept. of HUD	01/01/17-12/31/17	WI0097LS1031609	289,403	0	0	289,403	0	289,403	(289,403)	0	0
14.267	Safehaven - Administration	U.S. Dept. of HUD	01/01/17-12/31/17	WI0097LS1031609	14,150	0	0	14,150	0	14,150	(14,150)	0	0
14.267	Safehaven - HMIS	U.S. Dept. of HUD	01/01/17-12/31/17	WI0097LS1031609	495	0	0	495	0	495	(495)	0	0
	Subtotals					0	0	344,766	0	344,766	(344,766)	0	0
14.267	Pheasant Ridge Trail - Operating	U.S. Dept. of HUD	05/01/16-04/30/17	WI0095LS1031508	24,961	0	0	8,771	0	8,771	(8,771)	0	0
14.267	Pheasant Ridge Trail - Support Services	U.S. Dept. of HUD	05/01/16-04/30/17	WI0095LS1031508	25,500	0	0	8,211	0	8,211	(8,211)	0	0
14.267	Pheasant Ridge Trail - Administrative	U.S. Dept. of HUD	05/01/16-04/30/17	WI0095LS1031508	2,417	0	0	829	0	829	(829)	0	0
14.267	Pheasant Ridge Trail - Operating	U.S. Dept. of HUD	05/01/17-04/30/18	WI0095LS1001609	24,961	0	0	16,548	0	16,548	(16,548)	0	0
14.267	Pheasant Ridge Trail - Support Services	U.S. Dept. of HUD	05/01/17-04/30/18	WI0095LS1001609	25,500	0	0	16,976	0	16,976	(16,976)	0	0
14.267	Pheasant Ridge Trail - Administrative	U.S. Dept. of HUD	05/01/17-04/30/18	WI0095LS1001609	2,417	0	0	1,724	0	1,724	(1,724)	0	0
	Subtotals					0	0	53,059	0	53,059	(53,059)	0	0
14.267	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/16-07/31/17	WI0091LS1031508	3,479	0	0	1,764	0	1,764	(1,764)	0	0
14.267	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/16-07/31/17	WI0091LS1031508	19,150	0	0	10,664	0	10,664	(10,664)	0	0
14.267	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/16-07/31/17	WI0091LS1031508	96,748	0	0	57,514	0	57,514	(57,514)	0	0
14.267	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/16-07/31/17	WI0091LS1031508	5,823	0	0	2,690	0	2,690	(2,690)	0	0
14.267	Housing First Leasing Project - Operating	U.S. Dept. of HUD	08/01/17-07/31/18	WI0091LS1031609	3,479	0	0	1,608	0	1,608	(1,608)	0	0
14.267	Housing First Leasing Project - Support Services	U.S. Dept. of HUD	08/01/17-07/31/18	WI0091LS1031609	19,150	0	0	7,806	0	7,806	(7,806)	0	0
14.267	Housing First Leasing Project - Leasing	U.S. Dept. of HUD	08/01/17-07/31/18	WI0091LS1031609	96,748	0	0	39,325	0	39,325	(39,325)	0	0
14.267	Housing First Leasing Project - Administrative	U.S. Dept. of HUD	08/01/17-07/31/18	WI0091LS1031609	5,823	0	0	1,955	0	1,955	(1,955)	0	0
	Subtotals					0	0	123,326	0	123,326	(123,326)	0	0
14.267	Nakoosa Trail - Operating	U.S. Dept. of HUD	01/01/17-12/31/17	WI0120LS1031503	5,722	0	0	6,231	0	6,231	(6,231)	0	0
14.267	Nakoosa Trail - Support	U.S. Dept. of HUD	01/01/17-12/31/17	WI0120LS1031503	7,570	0	0	3,402	0	3,402	(3,402)	0	0
14.267	Nakoosa Trail - Administration	U.S. Dept. of HUD	01/01/17-12/31/17	WI0120LS1031503	630	0	0	630	0	630	(630)	0	0
	Subtotals					0	0	10,263	0	10,263	(10,263)	0	0
14.267	Thierer Road - Operating	U.S. Dept. of HUD	01/01/17-12/31/17	WI0179LS1031500	47,527	0	0	47,661	0	47,661	(47,661)	0	0
14.267	Thierer Road - Support	U.S. Dept. of HUD	01/01/17-12/31/17	WI0179LS1031500	106,500	0	0	79,567	0	79,567	(79,567)	0	0
14.267	Thierer Road - Administration	U.S. Dept. of HUD	01/01/17-12/31/17	WI0179LS1031500	4,000	0	0	2,229	0	2,229	(2,229)	0	0
14.267	Thierer Road - HMIS	U.S. Dept. of HUD	01/01/17-12/31/17	WI0179LS1031500	500	0	0	301	0	301	(301)	0	0
	Subtotals					0	0	129,758	0	129,758	(129,758)	0	0
	Total CFDA #14.267 Continuum of Care Program					0	0	661,172	0	661,172	(661,172)	0	0
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT											(790,597)		
DEPARTMENT OF VETERAN'S AFFAIRS													
64.024	Veterans Transitional Housing Program	U.S. Dept. of Vet Affairs	01/01/17-09/30/17	08-891-WI	253,951	0	0	253,951	0	253,951	(253,951)	0	0
64.024	Veterans Transitional Housing Program	U.S. Dept. of Vet Affairs	10/01/17-09/30/18	521-0484-607-SI-18-0	73,630	0	0	73,630	0	73,630	(73,630)	0	0
64.024	Veterans Transitional Housing Program	U.S. Dept. of Vet Affairs	10/01/17-09/30/18	521-0388-607-HH-18-(20,972	0	0	20,972	0	20,972	(20,972)	0	0
	Total CFDA #64.024					0	0	348,553	0	348,553	(348,553)	0	0
DEPARTMENT OF HOMELAND SECURITY													
97.024	Emergency Shelter	Emergency Food & Shelter National Board	07/01/15-03/31/17	912600-016 Phase 33	18,000	0	0	7,955	0	7,955	(7,955)	0	0
97.024	Emergency Shelter	Emergency Food & Shelter National Board	07/01/17-01/31/18	912600-016 Phase 34	20,000	0	0	16,159	0	16,159	(16,159)	0	0
	Total CFDA #97.024					0	0	24,114	0	24,114	(24,114)	0	0
DEPARTMENT OF HEALTH AND HUMAN SERVICES													
93.778	Comprehensive Community Services	U.S. Dept. of HHS	07/01/15-12/31/17	83123	163,241	0	0	165,785	(2,544)	163,241	(163,241)	0	0
	Total Federal Programs					\$ 0	\$ 0	\$ 1,329,049	(\$ 2,544)	\$ 1,326,505	(\$ 1,326,505)	\$ 0	\$ 0

Porchlight, Inc. and Subsidiary

Schedule A-2

Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended December 31, 2017

CFDA Number	Program Name	Federal Grantor/ Pass-Through Agency	Program Period	Project Number	Grant Award	12/31/2016 Grant Funds Received in Advance		Revenue				12/31/2017 Grant Funds Received in Advance		
						12/31/2016 Net Assets	Award/Funds Recognized	Other Revenue & Transfers	Total Revenue Recognized	Expenses	12/31/17 Net Assets			
STATE AND LOCAL PROGRAMS														
N/A	Supportive Services/Housing Operations	City of Madison	01/01/17-12/31/17	JD006-MADGPR17	\$ 91,691	\$ 0	\$ 0	\$ 91,691	\$ 0	\$ 91,691	\$ 91,691	\$ 0	\$ 0	\$ 0
N/A	Eliminating Barriers to Stable Housing	City of Madison	01/01/17-12/31/17	JM003-MADGPR17	20,834	0	0	20,834	0	20,834	(20,834)	0	0	0
N/A	DIGS - Eviction Prevention	City of Madison	01/01/17-12/31/17	JM001-MADGPR17	37,814	0	0	37,814	0	37,814	(37,814)	0	0	0
N/A	Street Outreach	City of Madison	01/01/17-12/31/17	JD005-MADGPR17	42,145	0	0	42,145	0	42,145	(42,145)	0	0	0
N/A	Shelter Case Manager	City of Madison	01/01/17-12/31/17	JK004-MADGPR17	18,332	0	0	18,332	0	18,332	(18,332)	0	0	0
N/A	Central Library Case Management	City of Madison	01/01/17-12/31/17	JK005-MADGPR17	66,199	0	0	55,830	0	55,830	(55,830)	0	0	0
N/A	Transit-for-Jobs & Economic Self Sufficiency	City of Madison	01/01/17-12/31/17	N/A	80,000	0	0	80,000	0	80,000	(80,000)	0	0	0
N/A	Emergency Overnight Shelter	County of Dane	01/01/17-12/31/17	83669-8066	175,915	0	0	175,915	0	175,915	(175,915)	0	0	0
N/A	Transportation Services	County of Dane	01/01/17-05/31/17	83669-8117	31,480	0	0	20,580	0	20,580	(20,580)	0	0	0
N/A	Housing Case Management	County of Dane	01/01/17-12/31/17	83669-8138	28,280	0	0	16,680	0	16,680	(16,680)	0	0	0
N/A	Housing Services	County of Dane	01/01/17-12/31/17	83717-9219	36,018	0	0	25,718	0	25,718	(25,718)	0	0	0
N/A	Outreach Prevention	County of Dane	01/01/17-12/31/17	83717-11081	37,236	0	0	27,436	0	27,436	(27,436)	0	0	0
N/A	School Road CBRF	County of Dane	01/01/17-12/31/17	83717-11082	144,899	0	0	139,499	0	139,499	(139,499)	0	0	0
N/A	Hospitality House	County of Dane	01/01/17-05/31/17	83669-8121	97,042	0	0	89,942	0	89,942	(89,942)	0	0	0
N/A	Housing Operations	United Way of Dane County	01/01/17-12/31/17	N/A	49,300	0	0	49,300	0	49,300	(49,300)	0	0	0
N/A	Housing First for Families	United Way of Dane County	01/01/16-Ongoing	N/A	18,700	3,408	0	0	0	0	(3,408)	0	0	0
N/A	Housing First for Families	United Way of Dane County	01/01/17-Ongoing	N/A	18,700	0	0	18,700	0	18,700	(8,292)	10,408	0	0
N/A	Housing First for Families in Sun Prairie	United Way of Dane County	01/01/16-Ongoing	N/A	38,000	1,896	0	0	0	0	(1,896)	0	0	0
N/A	Housing First for Families in Sun Prairie	United Way of Dane County	01/01/17-Ongoing	N/A	38,000	0	0	38,000	0	38,000	(25,609)	12,391	0	0
N/A	Early Childhood Zone	United Way of Dane County	01/01/17-12/31/17	N/A	5,000	0	0	5,000	0	5,000	(5,000)	0	0	0
N/A	DIGS	United Way of Dane County	01/01/17-12/31/17	N/A	55,800	0	0	55,800	0	55,800	(55,800)	0	0	0
N/A	Case Management	United Way of Dane County	01/01/17-12/31/17	N/A	36,100	0	0	36,100	0	36,100	(36,100)	0	0	0
N/A	Employment & Life Skills	United Way of Dane County	01/01/17-12/31/17	N/A	15,000	0	0	15,000	0	15,000	(15,000)	0	0	0
N/A	SRO Services	United Way of Dane County	01/01/17-12/31/17	N/A	22,000	0	0	22,000	0	22,000	(22,000)	0	0	0
N/A	Reducing School Mobility	United Way of Dane County	07/01/16-06/30/17	N/A	14,174	1,343	0	7,452	0	7,452	(8,435)	360	0	0
N/A	Reducing School Mobility	United Way of Dane County	07/01/17-06/30/18	N/A	14,183	0	0	7,091	0	7,091	(4,502)	2,589	0	0
N/A	Holiday Gifts	United Way of Dane County	12/01/16-01/31/17	N/A	1,500	1,500	0	0	0	0	(1,500)	0	0	0
N/A	State Shelter Subsidy Grant	State of WI-Dept. of Admin	01/01/17-12/31/17	SSSG 17-31	57,768	0	0	57,768	0	57,768	(57,768)	0	0	0
N/A	DIGS emergency assistance	Madison Rotary Foundation	05/01/17-10/31/17	N/A	6,156	0	0	6,156	0	6,156	(6,156)	0	0	0
N/A	Summer Camp & Bus Passes	S. Madison Rotary Club	01/01/17-12/31/17	N/A	750	750	0	0	0	0	(750)	0	0	0
N/A	Youth Service Grant	Madison West Kiwanis	01/01/17-12/31/17	N/A	1,500	0	0	0	1,500	1,500	(1,500)	0	0	0
N/A	Youth Service Grant	S. Madison Rotary Club	01/01/18-12/31/18	N/A	1,500	0	0	0	1,500	1,500	0	1,500	0	0
GENERALLY ACCEPTED ACCOUNTING PRINCIPLE (GAAP) ADJUSTMENTS														
N/A	In-kind	N/A	N/A	N/A	N/A	0	0	0	459,860	459,860	(459,860)	0	0	0
N/A	Affordable Housing Program	Federal Home Loan Bank	12/01/15-12/31/16	2015A07001	240,000	0	240,000	0	(240,000)	(240,000)	0	0	0	0
N/A	Grant-Funded Property & Equipment	N/A	N/A	N/A	N/A	0	1,122,769	0	0	0	(45,801)	0	1,076,968	0
Total State and Local Programs and GAAP Adjustments						8,897	1,362,769	1,160,783	222,860	1,383,643	(1,651,093)	27,248	1,076,968	
Total Federal, State, and Local Programs						8,897	1,362,769	2,489,832	220,316	2,710,148	(2,977,598)	27,248	1,076,968	
N/A	Organizational Activities		N/A	N/A	N/A	0	11,059,123	1,900	3,146,217	3,148,117	(2,517,559)	0	11,689,681	
TOTALS						\$ 8,897	\$ 12,421,892	\$ 2,491,732	\$ 3,366,533	\$ 5,858,265	(\$ 5,495,157)	\$ 27,248	\$ 12,766,649	

Notes to Schedule of Expenditures of Federal Awards and Other Financial Assistance

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Porchlight, Inc. under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Porchlight, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Porchlight, Inc.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Subrecipients

No federal grant awards were passed through to subrecipients during the year ended December 31, 2017.

Note 4 - Indirect Cost Rate

Porchlight, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance

Porchlight, Inc. and Subsidiary

Consolidating Statement of Financial Position
December 31, 2017

<i>Assets</i>	Porchlight, Inc.	Porchlight Foundation, Inc.	Total
Current assets:			
Cash	\$ 2,009,444	\$ 98,275	\$ 2,107,719
Investments	0	412,813	412,813
Grants receivable	265,952	0	265,952
Accounts receivable	164,708	0	164,708
Land contract receivable	3,777	0	3,777
Pledges receivable	215,000	0	215,000
Inventory	9,000	0	9,000
Prepaid expenses	41,931	0	41,931
Total current assets	2,709,812	511,088	3,220,900
Other assets:			
WHEDA reserves	508,859	0	508,859
Land contract receivable	36,093	0	36,093
Pledges receivable	28,000	0	28,000
Charitable trust receivable, net	90,000	0	90,000
Total other assets	662,952	0	662,952
Property and equipment, net	14,099,851	0	14,099,851
TOTAL ASSETS	\$ 17,472,615	\$ 511,088	\$ 17,983,703
<i>Liabilities and Net Assets</i>			
Current liabilities:			
Current portion of mortgages payable	\$ 103,249	\$ 0	\$ 103,249
Current portion of deferred loans payable	14,667	0	14,667
Accounts payable	183,034	0	183,034
Accrued payroll and related expenses	114,440	0	114,440
Deferred revenue	51,806	0	51,806
Grant funds received in advance	27,248	0	27,248
Total current liabilities	494,444	0	494,444
Long-term liabilities:			
Deferred loans payable	3,363,550	0	3,363,550
Mortgages payable	1,359,060	0	1,359,060
Total long-term liabilities	4,722,610	0	4,722,610
Total liabilities	5,217,054	0	5,217,054
Net assets:			
Unrestricted	11,178,593	511,088	11,689,681
Temporarily restricted	1,076,968	0	1,076,968
Total net assets	12,255,561	511,088	12,766,649
TOTAL LIABILITIES AND NET ASSETS	\$ 17,472,615	\$ 511,088	\$ 17,983,703

Porchlight, Inc. and Subsidiary

Consolidating Statement of Activities

Year Ended December 31, 2017

	Unrestricted			Temporarily Restricted			Totals
	Porchlight, Inc.	Porchlight Foundation, Inc.	Total	Porchlight, Inc.	Porchlight Foundation, Inc.	Total	
Revenue:							
Grant revenue	\$ 2,473,381	\$ 0	\$ 2,473,381	\$ 0	\$ 0	\$ 0	\$ 2,473,381
Investment gain	12,562	56,209	68,771	0	0	0	68,771
Contributions	1,280,369	22,791	1,303,160	0	0	0	1,303,160
Rental income	1,382,767	0	1,382,767	0	0	0	1,382,767
Program fees	6,960	0	6,960	0	0	0	6,960
Miscellaneous	145,015	0	145,015	0	0	0	145,015
Gain on sale of property and equipment	0	0	0	0	0	0	0
In-kind contributions	459,860	0	459,860	0	0	0	459,860
Net assets released from restriction through satisfaction of program restrictions	2,253,112	96,447	2,349,559	(2,349,559)	0	(2,349,559)	0
Total revenue	8,014,026	175,447	8,189,473	(2,349,559)	0	(2,349,559)	5,839,914
Program expenses:							
Homeless men's drop-in shelter	367,238	0	367,238	0	0	0	367,238
Hospitality House	450,346	0	450,346	0	0	0	450,346
Safe Haven	474,061	0	474,061	0	0	0	474,061
Housing	2,378,621	0	2,378,621	0	0	0	2,378,621
Brooks Street	720,883	0	720,883	0	0	0	720,883
In-kind expenses	459,860	0	459,860	0	0	0	459,860
Total program expenses	4,851,009	0	4,851,009	0	0	0	4,851,009
Management and general	515,028	3,546	518,574	0	0	0	518,574
Fundraising	125,574	0	125,574	0	0	0	125,574
Total management, general, and fund-raising	640,602	3,546	644,148	0	0	0	644,148
Total expenses	5,491,611	3,546	5,495,157	0	0	0	5,495,157
Change in net assets	2,522,415	171,901	2,694,316	(2,349,559)	0	(2,349,559)	344,757
Net assets - Beginning of the year	8,656,178	339,187	8,995,365	3,426,527	0	3,426,527	12,421,892
Net assets - End of the year	\$ 11,178,593	\$ 511,088	\$ 11,689,681	\$ 1,076,968	\$ 0	\$ 1,076,968	\$ 12,766,649

Porchlight, Inc. and Subsidiary

Schedule B

Schedule of Revenue and Expenses by Funding Source and by Contract

Year Ended December 31, 2017

	Revenue Source										
	Emergency Overnight Shelter			Transportation Services	Housing Case Management	Housing Services	Outreach Prevention	School Road CBRF	Hospitality House	Comprehensive Community Services	Total Programs
	State of			Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	Dane County	
	Dane County	Wisconsin	Total								
Total Revenue	\$ 175,915	\$ 57,768	\$ 233,683	\$ 20,580	\$ 16,680	\$ 25,718	\$ 27,436	\$ 139,499	\$ 89,942	\$ 165,785	\$ 719,323
EXPENSES											
Program expenses:											
Personnel	163,220	38,568	201,788	16,080	4,666	25,718	27,436	100,851	62,042	119,672	558,253
Operating	0	1,200	1,200	4,500	0	0	0	19,925	6,620	15,375	47,620
Space	0	18,000	18,000	0	0	0	0	11,748	7,834	528	38,110
Special costs	0	0	0	0	12,014	0	0	0	0	0	12,014
Other expense	0	0	0	0	0	0	0	0	0	0	0
Total program expenses	163,220	57,768	220,988	20,580	16,680	25,718	27,436	132,524	76,496	135,575	655,997
Administrative expenses:											
Personnel	12,695	0	12,695	0	0	0	0	6,272	11,146	23,310	53,423
Operating	0	0	0	0	0	0	0	703	2,300	4,356	7,359
Space	0	0	0	0	0	0	0	0	0	0	0
Special costs	0	0	0	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0	0	0	0
Total administrative expenses	12,695	0	12,695	0	0	0	0	6,975	13,446	27,666	60,782
Total Expenses	175,915	57,768	233,683	20,580	16,680	25,718	27,436	139,499	89,942	163,241	716,779
EXCESS OF REVENUE OVER EXPENSES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,544	\$ 2,544

Consolidated Statement of Financial Position

Schedule C

Reserve Supplemental Schedule

Year Ended December 31, 2017

Total units of services	5,111
Allowable expenses for rate-based service	\$ 163,241
Total revenue for rate-based service	\$ 165,785
Excess (deficiency) revenue over expenses	\$ 2,544
Total reserve from all prior periods	\$ (5,413)

Calculation of reserve and amounts due to purchasers

	First Test					Second Test					Total amount due to purchaser	
	Revenue from purchaser	Purchaser's share of total revenue	Purchasers share of excess revenue (deficiency)	Cap on reserve for first test	Amount to add to reserve for this period	Amount due to purchaser from first test	Purchaser's share of reserve from prior periods	Purchaser's share of reserve from all periods	Cap on reserve for second test	Amount of reserve		Amount due to purchaser from second test
Purchaser												
Porchlight, Inc.	\$ 165,785	100%	\$ 2,544	\$ 8,289	\$ 2,544	\$ -	\$ (5,413)	\$ (2,869)	\$ 16,579	\$ (2,869)	\$ -	\$ -

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report Year Ended December 31, 2017

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2017

Provider Name:	Porchlight, Inc.	Contract #:	83669	*Provider Certified By:	1/25/2018
Program Name:	Emergency Overnight Shelter	Program Group #:	8066		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A PERSONNEL						
Salaries	146,900	10,037	137,577	147,614	146,900	
Taxes	11,800	794	11,105	11,899	11,800	
Benefits	17,215	1,864	14,538	16,402	17,215	
Subtotal A	175,915	12,695	163,220	175,915	175,915	0.00%
B OPERATING						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Subtotal B	0	0	0	0	0	
C SPACE						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	0	0	0	0	0	
D SPECIAL COSTS						
Assistance to Individuals				0		
Subtotal D	0	0	0	0	0	
E OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F. OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	175,915	12,695	163,220	175,915	175,915	0.00%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report Year Ended December 31, 2017

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2017

Provider Name:	Porchlight, Inc.	Contract #:	83669	*Provider Certified By:	1/25/2018
Program Name:	Hospitality House	Program Group #:	8121		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A PERSONNEL						
Salaries	58,000	8,784	47,770	56,554	58,000	
Taxes	4,700	684	4,210	4,894	11,800	
Benefits	11,342	1,678	10,062	11,740	11,342	
Subtotal A	74,042	11,146	62,042	73,188	81,142	-9.80%
B OPERATING						
Insurance	700		1,363	1,363	700	
Professional Fees	400	530		530	400	
Audit	1,900	1,770		1,770	1,900	
Data Processing Fees						
Postage, Office, and Program Supplies	1,000		1,139	1,139	1,000	
Equipment/Furnishings						
Depreciation						
Telephone	1,900		2,757	2,757	1,900	
Training/Conference						
Food/Household Supplies	3,100		1,361	1,361	3,100	
Auto Allowance						
Vehicle Costs						
Other1:						
Subtotal B	9,000	2,300	6,620	8,920	9,000	-0.89%
C SPACE						
Rent						
Utilities	4,600		3,800	3,800	4,600	
Maintenance	2,300		4,034	4,034	2,300	
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	6,900	0	7,834	7,834	6,900	13.54%
D SPECIAL COSTS						
Assistance to Individuals						
Subtotal D	0	0	0	0	0	
E OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	89,942	13,446	76,496	89,942	97,042	-7.32%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report Year Ended December 31, 2017

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2017

Provider Name:	Porchlight, Inc.	Contract #:	83669	*Provider Certified By:	1/25/2018
Program Name:	Transportation Services	Program Group #:	8117		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A PERSONNEL						
Salaries	12,100		12,186	12,186	12,100	
Taxes	900		1,091	1,091	11,800	
Benefits	3,080		2,803	2,803	3,080	
Subtotal A	16,080	0	16,080	16,080	26,980	-40.40%
B OPERATING						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs	4,500		4,500	4,500	4,500	
Other1:						
Subtotal B	4,500	0	4,500	4,500	4,500	0.00%
C SPACE						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	0	0	0	0	0	
D SPECIAL COSTS						
Assistance to Individuals						
Subtotal D	0	0	0	0	0	
E OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F. OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	20,580	0	20,580	20,580	31,480	-34.63%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report Year Ended December 31, 2017

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2017

Provider Name:	Porchlight, Inc.	Contract #:	83669	*Provider Certified By:		1/25/2018
Program Name:	Housing Case Management	Program Group #:	8138			Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A PERSONNEL						
Salaries	3,100		3,693	3,693	3,100	
Taxes	200		295	295	11,800	
Benefits	880		678	678	880	
Subtotal A	4,180	0	4,666	4,666	15,780	-70.43%
B OPERATING						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Subtotal B	0	0	0	0	0	
C SPACE						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	0	0	0	0	0	
D SPECIAL COSTS						
Assistance to Individuals	12,500		12,014	12,014	12,500	
Subtotal D	12,500	0	12,014	12,014	12,500	-3.89%
E OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	16,680	0	16,680	16,680	28,280	-41.02%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report Year Ended December 31, 2017

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2017

Provider Name:	Porchlight, Inc.	Contract #:	83717	*Provider Certified By:	1/25/2018
Program Name:	Outreach Prevention	Program Group #:	11081		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A PERSONNEL						
Salaries	23,100		23,441	23,441	23,100	
Taxes	2,000		1,904	1,904	11,800	
Benefits	2,336		2,091	2,091	2,336	
Subtotal A	27,436	0	27,436	27,436	37,236	-26.32%
B OPERATING						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Subtotal B	0	0	0	0	0	
C SPACE						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	0	0	0	0	0	
D SPECIAL COSTS						
Assistance to Individuals						
Subtotal D	0	0	0	0	0	
E OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	27,436	0	27,436	27,436	37,236	-26.32%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report Year Ended December 31, 2017

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2017

Provider Name:	Porchlight, Inc.	Contract #:	83717	*Provider Certified By:	1/25/2018
Program Name:	School Road CBRF	Program Group #:	11082		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A PERSONNEL						
Salaries	80,900	4,918	75,792	80,710	80,900	
Taxes	6,400	377	5,953	6,330	11,800	
Benefits	19,699	977	19,106	20,083	19,699	
Subtotal A	106,999	6,272	100,851	107,123	112,399	-4.69%
B OPERATING						
Insurance	3,000		2,976	2,976	3,000	
Professional Fees	100	170		170	100	
Audit	400	336		336	400	
Data Processing Fees						
Postage, Office, and Program Supplies	300	197	40	237	300	
Equipment/Furnishings						
Depreciation						
Telephone	2,000		1,999	1,999	2,000	
Training/Conference	800		788	788	800	
Food/Household Supplies	14,100		14,122	14,122	14,100	
Auto Allowance						
Vehicle Costs						
Other1: misc & bad debts						
Subtotal B	20,700	703	19,925	20,628	20,700	-0.35%
C SPACE						
Rent						
Utilities	4,700		4,599	4,599	4,700	
Maintenance	7,100		7,149	7,149	7,100	
Mortgage Interest, Depreciation						
Property Taxes						
Subtotal C	11,800	0	11,748	11,748	11,800	-0.44%
D SPECIAL COSTS						
Assistance to Individuals						
Subtotal D	0	0	0	0	0	
E OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F. OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)	0		0			
Private Pay (Trust Funds, etc.)	0		0			
Cost Share	0		0			
Other	0		0			
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	139,499	6,975	132,524	139,499	144,899	-3.73%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Porchlight, Inc. and Subsidiary

Dane County Department of Human Services Provider Agency Expense Report Year Ended December 31, 2017

DANE COUNTY DEPARTMENT OF HUMAN SERVICES

PROVIDER AGENCY EXPENSE REPORT THROUGH:

December 31, 2017

Provider Name:	Porchlight, Inc.	Contract #:	83717	*Provider Certified By:	1/25/2018
Program Name:	Housing Services	Program Group #:	9219		Date

	1 Approved County-Funded Budget	2 YTD County-Funded Admin Expense	3 YTD County-Funded Program Expense	4 YTD County-Funded Expense Total (= Col. 2 + 3)	5 YTD County-Funded Budget	6 YTD % Variance from Budget
A PERSONNEL						
Salaries	19,700		19,068	19,068	19,700	
Taxes	1,500		1,446	1,446	11,800	
Benefits	4,518		5,204	5,204	4,518	
Subtotal A	25,718	0	25,718	25,718	36,018	-28.60%
B OPERATING						
Insurance						
Professional Fees						
Audit						
Data Processing Fees						
Postage, Office, and Program Supplies						
Equipment/Furnishings						
Depreciation						
Telephone						
Training/Conference						
Food/Household Supplies						
Auto Allowance						
Vehicle Costs						
Other1:						
Subtotal B	0	0	0	0	0	
C SPACE						
Rent						
Utilities						
Maintenance						
Mortgage Interest, Depreciation,						
Property Taxes						
Subtotal C	0	0	0	0	0	
D SPECIAL COSTS						
Assistance to Individuals						
Subtotal D	0	0	0	0	0	
E OTHER						
Other2:						
Subtotal E	0	0	0	0	0	
This section for Adult - DD only.						
F. OFF-SETTING REVENUE						
Show as negative numbers:						
Government Benefits (SSI, SSDI, etc.)						
Private Pay (Trust Funds, etc.)						
Cost Share						
Other						
Subtotal F	0	0	0	0	0	
TOTAL A THROUGH F	25,718	0	25,718	25,718	36,018	-28.60%

*CERTIFICATION: I certify the expenses listed above are true, correct, and allowable, in the amount stated and have not been reimbursed heretofore.

Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)	
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects				
Project Name: Broadview			Project Number: 011/001795	
Period Beginning: 01/01/17 thru: 12/31/17			Year: 2017	
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	256,140	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	728	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		256,868
5200	Apartment Vacancies	5220	23,728	
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	5,160	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	3,309	
	Total Vacancies or Concessions	5200		32,197
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		224,671
5300	Total Service Income	5300		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	1,585	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		1,585
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990	594	
	Total Miscellaneous Revenue	5900		594
	Total Revenue	5000		226,850
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	(698)	
	Total Rent Expense			(698)
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	736	
	Miscellaneous Administrative Expense	6390	104,441	
	Total Administrative Expense			105,177
6200 + 6300	Total Rent & Administrative Expense	6263		104,479
6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	7,792	
EXPENSE	Water	6451	4,678	
	Gas	6452	3,149	
	Sewer	6453	6,425	
	Total Utilities Expense	6400		22,044

See Independent Auditor's Report

	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	17,728		
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	0		
	Contracts	6520			
	Operating and Maintenance Rent Free Unit	6521			
	Garbage & Trash Removal	6525	4,877		
	Security Payroll/Contract (incl. taxes and benefits)	6530			
	Security Rent Free Unit	6531			
	Heating/Cooling Repairs & Maintenance	6546	962		
	Snow Removal	6548	2,025		
	Vehicle/Maintenance Equipment Operation & Repairs	6570	0		
	Misc. Operating & Maintenance Expense	6590	62,818		
	Total Operating & Maintenance Expense	6500			88,410
	6900	Total Service Expense	6900		0
	6700	Real Estate & Personal Property Taxes	6710	0	
TAXES AND INSURANCE	Payroll Taxes (Project's Share)	6711			
	Property & Liability Insurance (Hazard)	6720	6,752		
	Fidelity Bond Insurance	6721			
	Workmen's Compensation	6722			
	Health Insurance and Other Employee Benefits	6723			
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790			
	Total Taxes and Insurance	6700			6,752
	3220	Replacement Reserve Deposits as Required by WHEDA	3220		8,400
	Total Operating Expenses			230,085	
	Net Operating Income (NOI)			(3,235)	
6800	Interest on Mortgage Payable	6820	27,928		
FINANCIAL EXPENSE	Interest on Notes Payable (Long Term)	6830			
	Interest on Notes Payable (Short Term)	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expense/Preservation Fee	6890			
	Total Financial Expense	6800			27,928
	Total Expenses of Operations Before Depreciation	6000		258,013	
	Profit or (Loss) Before Depreciation	5060		(31,163)	
6600	Depreciation Expense (Total)	6601		49,466	
	Amortization Expense	6610			
	Operating Profit or Loss	5060		(80,629)	
7100	Officer's Salaries	7110			
CORPORATE OR MORTGAGOR EXPENSE	Legal Expense	7120			
	Federal, State and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Notes Payable	7141			
	Interest on Mortgage Payable	7142			
	Other Expense	7190			
	Net Entity Expenses	7100			0
		NET PROFIT OR (LOSS)	3250		(80,629)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		35,893	
	Second Mortgage	9911			
	Other Mortgage(s)	9912			
	Reserve releases to reimburse items expensed on this schedule.	9920		0	
	Capital expenditures paid from project operations and expensed on this schedule.	9930			
	See Independent Auditor's Report			35	

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Citywide Housing		Project Number: 011/001167		
Period Beginning: 01/01/17 thru: 12/31/17		Year: 2017		
	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	131,220	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170	0	
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	1,003	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		132,223
5200 VACANCIES	Apartment Vacancies	5220	12,330	
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	5,854	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	(3,672)	
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		117,711
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	2,643	
	Revenue from Investments-Miscellaneous	5490		
		Total Financial Revenue	5400	
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	0	
		Total Miscellaneous Revenue	5900	
	Total Revenue	5000		120,354
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	(370)	
		Total Rent Expense		
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311		
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	1,416	
	Miscellaneous Administrative Expense	6390	46,389	
		Total Administrative Expense		
6200 + 6300	Total Rent & Administrative Expense	6263		47,435
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	10,403	
	Water	6451	2,673	
	Gas	6452	3,968	
	Sewer	6453	3,704	
		Total Utilities Expense	6400	

	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	12,576		
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	0		
	Contracts	6520			
	Operating and Maintenance Rent Free Unit	6521			
	Garbage & Trash Removal	6525	1,649		
	Security Payroll/Contract (incl. taxes and benefits)	6530			
	Security Rent Free Unit	6531			
	Heating/Cooling Repairs & Maintenance	6546	1,006		
	Snow Removal	6548	1,336		
	Vehicle/Maintenance Equipment Operation & Repairs	6570	181		
	Misc. Operating & Maintenance Expense	6590	21,494		
	Total Operating & Maintenance Expense	6500			38,242
	6900	Total Service Expense	6900		0
	6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
Payroll Taxes (Project's Share)		6711			
Property & Liability Insurance (Hazard)		6720	5,556		
Fidelity Bond Insurance		6721			
Workmen's Compensation		6722			
Health Insurance and Other Employee Benefits		6723			
Miscellaneous Taxes, Licenses, Permits and Insurance		6790			
Total Taxes and Insurance		6700			5,556
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,860	
	Total Operating Expenses			116,841	
	Net Operating Income (NOI)			3,513	
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	1,683		
	Interest on Notes Payable (Long Term)	6830			
	Interest on Notes Payable (Short Term)	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expense/Preservation Fee	6890			
	Total Financial Expense	6800			1,683
	Total Expenses of Operations Before Depreciation	6000		118,524	
	Profit or (Loss) Before Depreciation	5060		1,830	
6600	Depreciation Expense (Total)	6601		14,309	
	Amortization Expense	6610			
	Operating Profit or Loss	5060		(12,479)	
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110			
	Legal Expense	7120			
	Federal, State and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Notes Payable	7141			
	Interest on Mortgage Payable	7142			
	Other Expense	7190			
	Net Entity Expenses	7100			0
	NET PROFIT OR (LOSS)	3250		(12,479)	
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		16,165	
	Second Mortgage	9911			
	Other Mortgage(s)	9912			
	Reserve releases to reimburse items expensed on this schedule.	9920		0	
	Capital expenditures paid from project operations and expensed on this schedule.	9930			
	See Independent Auditor's Report			37	

Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)	
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects				
Project Name: McKenna Boulevard			Project Number: 011/002687	
Period Beginning: 01/01/17 thru: 12/31/17			Year: 2017	
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	31,200	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	(18)	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		31,182
5200	Apartment Vacancies	5220	0	
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	900	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	0	
	Total Vacancies or Concessions	5200		900
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		30,282
5300	Total Service Income	5300		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	(193)	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		(193)
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990	0	
	Total Miscellaneous Revenue	5900		0
	Total Revenue	5000		30,089
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	0	
	Total Rent Expense		0	
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	0	
	Miscellaneous Administrative Expense	6390	12,854	
	Total Administrative Expense		12,854	
6200 + 6300	Total Rent & Administrative Expense	6263		12,854
6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	639	
EXPENSE	Water	6451	3,505	
	Gas	6452	0	
	Sewer	6453	4,045	
	Total Utilities Expense	6400		8,189

	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	2,601		
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	0		
	Contracts	6520			
	Operating and Maintenance Rent Free Unit	6521			
	Garbage & Trash Removal	6525	127		
	Security Payroll/Contract (incl. taxes and benefits)	6530			
	Security Rent Free Unit	6531			
	Heating/Cooling Repairs & Maintenance	6546	3		
	Snow Removal	6548	36		
	Vehicle/Maintenance Equipment Operation & Repairs	6570	0		
	Misc. Operating & Maintenance Expense	6590	5,670		
	Total Operating & Maintenance Expense	6500			8,437
	6900	Total Service Expense	6900		0
	6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
Payroll Taxes (Project's Share)		6711			
Property & Liability Insurance (Hazard)		6720	1,024		
Fidelity Bond Insurance		6721			
Workmen's Compensation		6722			
Health Insurance and Other Employee Benefits		6723			
Miscellaneous Taxes, Licenses, Permits and Insurance		6790			
Total Taxes and Insurance		6700			1,024
3220	Replacement Reserve Deposits as Required by WHEDA	3220		1,000	
	Total Operating Expenses			31,504	
	Net Operating Income (NOI)			(1,415)	
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	3,754		
	Interest on Notes Payable (Long Term)	6830			
	Interest on Notes Payable (Short Term)	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expense/Preservation Fee	6890			
	Total Financial Expense	6800			3,754
	Total Expenses of Operations Before Depreciation	6000		35,258	
	Profit or (Loss) Before Depreciation	5060		(5,169)	
6600	Depreciation Expense (Total)	6601		8,112	
	Amortization Expense	6610			
	Operating Profit or Loss	5060		(13,281)	
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110			
	Legal Expense	7120			
	Federal, State and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Notes Payable	7141			
	Interest on Mortgage Payable	7142			
	Other Expense	7190			
	Net Entity Expenses	7100			0
	NET PROFIT OR (LOSS)	3250		(13,281)	
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		6,559	
	Second Mortgage	9911			
	Other Mortgage(s)	9912			
	Reserve releases to reimburse items expensed on this schedule.	9920		0	
	Capital expenditures paid from project operations and expensed on this schedule.	9930			

See Independent Auditor's Report

SCHEDULE OF PROFIT AND LOSS for Multifamily Projects

Project Name: Spring Street (f/k/a Mills Street) **Project Number:** 011/001762

Period Beginning: 01/01/17 thru: 12/31/17 **Year:** 2017

	Description of Account	Acct. No.	Amount	Totals
5100 RENTAL REVENUE	Rent Revenue - Gross Potential	5120	127,080	
	Tenant Assistance Payments	5121		
	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	319	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		127,399
5200 VACANCIES	Apartment Vacancies	5220	5,180	
	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	1,200	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	41,721	
		Total Vacancies or Concessions	5200	
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		79,298
5300	Total Service Income	5300		0
5400 FINANCIAL REVENUE	Financial Revenue - Project Operations	5410		
	Revenue from Investments-Residual Receipts	5430		
	Revenue from Investments-Replacement Reserve	5440	1,858	
	Revenue from Investments-Miscellaneous	5490		
		Total Financial Revenue	5400	
5900 MISC. REVENUE	Laundry/Vending Income (Net)	5910		
	Tenant Charges	5920		
	Miscellaneous Revenue	5990	160,693	
		Total Miscellaneous Revenue	5900	
	Total Revenue	5000		241,849
6200 RENT EXPENSE	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	0	
		Total Rent Expense		
6300 ADMIN. EXPENSES	Office Salaries	6310		
	Office Expenses	6311		
	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	5,726	
	Miscellaneous Administrative Expense	6390	34,738	
		Total Administrative Expense		
6200 + 6300	Total Rent & Administrative Expense	6263		40,464
6400 UTILITIES EXPENSE	Fuel Oil	6420		
	Electricity	6450	16,005	
	Water	6451	2,188	
	Gas	6452	4,960	
	Sewer	6453	2,932	
		Total Utilities Expense	6400	

	Description of Account	Acct. No.	Amount	Totals
6500 OPERATING & MAINTENANCE EXPENSE	Payroll	6510	28,950	
	Supplies	6515	747	
	Contracts	6520		
	Operating and Maintenance Rent Free Unit	6521		
	Garbage & Trash Removal	6525	2,145	
	Security Payroll/Contract (incl. taxes and benefits)	6530		
	Security Rent Free Unit	6531		
	Heating/Cooling Repairs & Maintenance	6546	4,821	
	Snow Removal	6548	139	
	Vehicle/Maintenance Equipment Operation & Repairs	6570	546	
	Misc. Operating & Maintenance Expense	6590	113,596	
	Total Operating & Maintenance Expense	6500		150,944
	6900	Total Service Expense	6900	
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0	
	Payroll Taxes (Project's Share)	6711		
	Property & Liability Insurance (Hazard)	6720	4,980	
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790		
	Total Taxes and Insurance	6700		4,980
3220	Replacement Reserve Deposits as Required by WHEDA	3220		7,680
	Total Operating Expenses			230,153
	Net Operating Income (NOI)			11,696
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	10,116	
	Interest on Notes Payable (Long Term)	6830		
	Interest on Notes Payable (Short Term)	6840		
	Mortgage Insurance Premium/Service Charge	6850		
	Miscellaneous Financial Expense/Preservation Fee	6890		
	Total Financial Expense	6800		10,116
	Total Expenses of Operations Before Depreciation	6000		240,269
	Profit or (Loss) Before Depreciation	5060		1,580
6600	Depreciation Expense (Total)	6601		45,391
	Amortization Expense	6610		
	Operating Profit or Loss	5060		(43,811)
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110		
	Legal Expense	7120		
	Federal, State and Other Income Taxes	7130		
	Interest Income	7140		
	Interest on Notes Payable	7141		
	Interest on Mortgage Payable	7142		
	Other Expense	7190		
	Net Entity Expenses	7100		0
	NET PROFIT OR (LOSS)	3250		(43,811)
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		29,938
	Second Mortgage	9911		
	Other Mortgage(s)	9912		
	Reserve releases to reimburse items expensed on this schedule.	9920		0
	Capital expenditures paid from project operations and expensed on this schedule.	9930		
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Wisconsin Housing and Economic Development Authority			FORM 800 (Rev.12/05)	
SCHEDULE OF PROFIT AND LOSS for Multifamily Projects				
Project Name: Pheasant Ridge Trail			Project Number: 011/002688	
Period Beginning: 01/01/17 thru: 12/31/17			Year: 2017	
	Description of Account	Acct. No.	Amount	Totals
5100	Rent Revenue - Gross Potential	5120	117,120	
RENTAL	Tenant Assistance Payments	5121		
REVENUE	Rent Revenue - Commercial/Stores @ 100%	5140		
	Rent Revenue - Garage/Parking @ 100%	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190	0	
	Excess Rent	5191		
	Rent Revenue/Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Income	5194		
	Total Rent Revenue Potential	5100		117,120
5200	Apartment Vacancies	5220	0	
VACANCIES	Stores/Commercial Vacancies or Concessions	5240		
	Rental Concessions	5250	0	
	Garage/Parking Vacancies or Concessions	5270		
	Miscellaneous	5290	56,108	
	Total Vacancies or Concessions	5200		56,108
	Net Rental Revenue (Rent Revenue less Vacancies)	5152		61,012
5300	Total Service Income	5300		0
5400	Financial Revenue - Project Operations	5410		
FINANCIAL	Revenue from Investments-Residual Receipts	5430		
REVENUE	Revenue from Investments-Replacement Reserve	5440	941	
	Revenue from Investments-Miscellaneous	5490		
	Total Financial Revenue	5400		941
5900	Laundry/Vending Income (Net)	5910		
MISC.	Tenant Charges	5920		
REVENUE	Miscellaneous Revenue	5990	53,909	
	Total Miscellaneous Revenue	5900		53,909
	Total Revenue	5000		115,862
6200	Conventions and Meetings	6203		
RENT	Management Consultants	6204		
EXPENSE	Advertising/Marketing Expense	6210		
	Other Rent Expense	6250	0	
	Total Rent Expense		0	
6300	Office Salaries	6310		
ADMIN.	Office Expenses	6311		
EXPENSES	Office or Model Apartment Rent	6312		
	Management Fee - Residential Rents	6320		
	Management Fee - Commercial Rents	6321		
	Management Fee - Miscellaneous Income	6322		
	Manager/Superintendent Salaries	6330		
	Administrative Rent-free Unit	6331		
	Legal Expense-project only	6340		
	Audit Expense-project only	6350		
	Bookkeeping Fees/Accounting Services	6351		
	Bad Debt Expense	6370	0	
	Miscellaneous Administrative Expense	6390	52,553	
	Total Administrative Expense		52,553	
6200 + 6300	Total Rent & Administrative Expense	6263		52,553
6400	Fuel Oil	6420		
UTILITIES	Electricity	6450	7,228	
EXPENSE	Water	6451	1,610	
	Gas	6452	1,398	
	Sewer	6453	1,164	
	Total Utilities Expense	6400		11,400

	Description of Account	Acct. No.	Amount	Totals	
6500	Payroll	6510	4,549		
OPERATING & MAINTENANCE EXPENSE	Supplies	6515	1,359		
	Contracts	6520			
	Operating and Maintenance Rent Free Unit	6521			
	Garbage & Trash Removal	6525	1,753		
	Security Payroll/Contract (incl. taxes and benefits)	6530			
	Security Rent Free Unit	6531			
	Heating/Cooling Repairs & Maintenance	6546	6		
	Snow Removal	6548	90		
	Vehicle/Maintenance Equipment Operation & Repairs	6570	361		
	Misc. Operating & Maintenance Expense	6590	20,090		
	Total Operating & Maintenance Expense	6500			28,208
	6900	Total Service Expense	6900		0
6700 TAXES AND INSURANCE	Real Estate & Personal Property Taxes	6710	0		
	Payroll Taxes (Project's Share)	6711			
	Property & Liability Insurance (Hazard)	6720	2,440		
	Fidelity Bond Insurance	6721			
	Workmen's Compensation	6722			
	Health Insurance and Other Employee Benefits	6723			
	Miscellaneous Taxes, Licenses, Permits and Insurance	6790			
	Total Taxes and Insurance	6700			2,440
3220	Replacement Reserve Deposits as Required by WHEDA	3220		4,000	
	Total Operating Expenses			98,601	
	Net Operating Income (NOI)			17,261	
6800 FINANCIAL EXPENSE	Interest on Mortgage Payable	6820	6,431		
	Interest on Notes Payable (Long Term)	6830			
	Interest on Notes Payable (Short Term)	6840			
	Mortgage Insurance Premium/Service Charge	6850			
	Miscellaneous Financial Expense/Preservation Fee	6890			
	Total Financial Expense	6800			6,431
	Total Expenses of Operations Before Depreciation	6000		105,032	
	Profit or (Loss) Before Depreciation	5060		10,830	
6600	Depreciation Expense (Total)	6601		29,657	
	Amortization Expense	6610			
	Operating Profit or Loss	5060		(18,827)	
7100 CORPORATE OR MORTGAGOR EXPENSE	Officer's Salaries	7110			
	Legal Expense	7120			
	Federal, State and Other Income Taxes	7130			
	Interest Income	7140			
	Interest on Notes Payable	7141			
	Interest on Mortgage Payable	7142			
	Other Expense	7190			
	Net Entity Expenses	7100			0
	NET PROFIT OR (LOSS)	3250		(18,827)	
TOTAL PRINCIPAL PAYMENTS	WHEDA First Mortgage	9910		10,113	
	Second Mortgage	9911			
	Other Mortgage(s)	9912			
	Reserve releases to reimburse items expensed on this schedule.	9920		0	
	Capital expenditures paid from project operations and expensed on this schedule.	9930			



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Directors
Porchlight, Inc. and Subsidiary
Madison, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Porchlight, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 27, 2018. The financial statements of Porchlight Foundation, Inc. were not audited in accordance with the *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with this entity.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Porchlight, Inc.’s internal control over financial reporting (“internal control”) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Porchlight, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Porchlight, Inc.’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Porchlight, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of Porchlight, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Porchlight, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

June 27, 2018
Madison, Wisconsin



Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance

Board of Directors
Porchlight, Inc. and Subsidiary
Madison, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Porchlight, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on Porchlight, Inc.'s major federal and state programs for the year ended December 31, 2017. Porchlight, Inc.'s major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management of Porchlight, Inc. is responsible for compliance with the statutes, regulations, and the terms and conditions of its grant awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Porchlight, Inc.'s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*, issued by the State of Wisconsin Department of Administration. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Porchlight, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal and state programs. However, our audit does not provide a legal determination on Porchlight, Inc.'s compliance.

Opinion on Each Major Federal and State Program

In our opinion, Porchlight, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of Porchlight, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Porchlight, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Porchlight, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*. According, this report is not suitable for any other purpose.



Wipfli LLP

Madison, Wisconsin
June 27, 2018

Porchlight, Inc. and Subsidiary

Schedule of Findings and Questioned Costs

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major federal and state programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)] or State Single Audit Guidelines, as applicable?	No

Identification of major federal and state programs:

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
U.S. Department of Housing and Urban Development Supportive Housing Program	14.267
<u>Name of State Major Program</u>	
Department of Health Services, Homeless Grant	

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$750,000
State	\$250,000

Auditee qualified as low-risk auditee?	Yes
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Section II - Financial Statement Findings

None

Porchlight, Inc. and Subsidiary

Schedule of Findings and Questioned Costs

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Findings

None

Section V - Other Issues

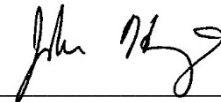
Does the auditor's report or the notes to the financial statements include Disclosure with regard to substantial doubt as to the auditee's ability to Continue as a going concern? No

Does the audit report show audit issues related to grants/contracts with Funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

Department of Health Services	No
Department of Workforce Development	N/A
Department of Corrections	N/A
Department of Commerce	N/A

Was a management letter or other document conveying audit comments Issued as a result of this audit? No

Name and signature of partner in charge



John E. Hemming, CPA

Date of report

June 27, 2018